GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1073
ANSWERED ON:23.11.2001
EXPORT OF TEXTILES
NAWAL KISHORE RAI;RAMJI LAL SUMAN

Will the Minister of TEXTILES be pleased to state:

(a) Whether cotton, yarn, cloth and ready-made garments are exported from the country;

(b) if so, the item-wise value of exports made during 1996-97 and 2000-2001;

(c) whether the profit margin are constantly on increase from exports of the above items;

(d) if so, the profit margin on these items; and

(e) the steps taken by the Government to increase profit margin in this sector ?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) Yes, Sir.

(b) The item-wise value of textile exports from the country during 1996-97 and 2000-2001 are given below

(Rs. in crores)/(In Million US$)

Items	1996-97		2000-2001	
	Rs.	US$	Rs.	US$
Readymade Garment	13324.1	3753.3	25470.9	5569.5
Cotton Textiles	12656.6	3565.3	16211.7	3548.2
Manmade Textiles	2561.3	721.5	5004.4	1095.3
Wool & Woolen	367.9	103.7	236.2	63.8
Silk	457.1	128.8	1457.7	318.9
Total	29367.2	8272.5	48380.9	10595.6

Source : DGCI&S, Calcutta.

(c) and (d) The profit margins are realised by individual exporters depending on variety of factors, mainly commercial factors, such as variety, quality, prices, demand and supply position etc. The Government does not maintain any data regarding the same.

(e) In order to increase the cost competitiveness of our textiles and clothing products in the international market, Government have recently taken a number of measures, which include:-

(1) Large additional quantities have been opened for most of the categories under the FCFS/RGE systems of the Quota Policies with a view to providing quotas to the garment and textile exporters on a continuos basis.

(2) In order to reduce transaction costs and time of the exporters, EMD/BG amounts have reduced for certain categories and the date

for utilising quotas have been extended. Further, the L/C condition under the FCFS system has also been waived for all such categories which have quantities left over for the rest of the year.

(3) DEPB rates for certain textile products have been rationalised.

Besides, a `Textile Package` was announced in the Budget 2001-02 to strengthen domestic textile industry for meeting the growing global competition. Some of the important provisions of the `Textile Package` are:-

i) Excise duty structure on textile items has been generally rationalised to achieve growth and maximum value addition.

ii) Custom duty has been reduced from 15% to 5% on 159 specified textiles and garment machineries. In addition, 12 important items of machineries including shuttleless looms have also been exempted from countervailing duty. A programme has been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.

iii) Assistance under Technology Upgradation Fund Scheme (TUFS) providing for a reimbursement of 5% out of interest is available to textile industry for modernisation and upgradation. In addition, rate of depreciation allowance for machinery under TUFS has been raised to 50%.

iv) A provision of Rs.10 crores has been earmarked in the Budget 2001-02 for establishment of Apparel Parks for export of garments. Besides a provision of Rs.15 crores has been made for the Scheme for improvement of critical infrastructure facilities at major textile production centres.